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## MEDIA RELEASE

FOR IMMEDIATE RELEASE  
June 4, 2009

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### PEIA FINANCE BOARD TO CONDUCT STATEWIDE PUBLIC HEARINGS ON PREVIOUSLY APPROVED MOTIONS RELATING TO OPEB LIABILITY *Motions Approved at May 14, 2009 Meeting to be Amended until Hearings Conclude*

CHARLESTON, W.Va. – Cabinet Secretary Robert W. Ferguson, Jr. today announced that the Public Employees Insurance Agency (PEIA) Finance Board voted to amend its motions previously approved at its May 14, 2009 meeting until the conclusion of the statewide public hearings to allow the PEIA staff to explain the motions, to educate the public on the Other Post-Employment Benefits (OPEB) issue, and to provide the public an opportunity to voice its opinions on these motions.

Chaired by Secretary Ferguson, the PEIA Finance Board had approved two motions at its May meeting which related to:

- 1) The transfer of \$28 million from the Retiree Benefit Trust Fund to fund the transition of the Medicare-eligible retirees (age 65 years or older) due to the declining federal reimbursement rates for Medicare Advantage plan to a comparable plan or to return to the PEIA plan. The Retiree Benefit Trust Fund was established to address the OPEB funding for PEIA members, which include non-pension benefit expenses an employee has earned, including health care costs, which is paid by the state from the time retirement begins to the date of his or her death; and,
- 2) The elimination of the retiree subsidy for new employees hired on or after January 1, 2010. This action, which would not affect any current active or retired member of PEIA, would gradually reduce and, ultimately, eliminate the state's OPEB liability.

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The OPEB debt, which is now required to be reported by public entities in accordance with the General Accounting Standards Board (GASB) requirements, is currently calculated at \$7 billion and continues to increase substantially each year.

"These issues are of the utmost importance to each and every one of us," said Secretary Ferguson. "The public has a right to be better informed about this financial requirement of the state and to learn how their tax dollars are being spent. It is the role and responsibility of the PEIA Finance Board to ensure the financial stability of the health care plans offered to its current active and retired public employees and teachers, and to look forward in a fiscally responsible manner to determine how we may best address this exorbitant OPEB liability of the state in the future."

The public hearings will be conducted throughout the state, tentatively scheduled in Beckley, Martinsburg, Charleston and Wheeling. Times, dates and specific locations are currently being confirmed.

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